

Department of Environmental Management

Staff Presentation

March 29, 2017

FY 2017 Revised and FY 2018

FY 2018 – FY 2022 Capital

Department of Environmental Management

- Agency responsible for:
 - ◆ Preserving the quality of the environment
 - ◆ Maintaining the health and safety of residents
 - ◆ Providing environmental assistance to individuals, businesses and municipalities
 - ◆ Conducting research
 - ◆ Enforcing all environmental laws and regulations

Target Budget

- Budget Office provided general revenue target of \$37.3 million
 - ◆ Current service adjustments of \$0.1 million
 - ◆ 8.0% reduction of \$3.0 million
- Constrained request \$2,338 below the target
 - ◆ Savings of \$4.3 million
 - ◆ Primarily from eliminating 28.0 FTEs

Target Proposals

- DEM proposed reductions to meet target
 - ◆ **Natural Resources** – \$2.0 million by eliminating 17.0 FTEs, vehicles purchases and office supplies
 - ◆ **Environmental Protection** – \$2.3 million by eliminating 11.0 FTEs, reducing office and maintenance expenses
 - ◆ **Office of Director** – Savings of \$10,600 by eliminating office and maintenance expenses
- Governor's budget is \$6.7 million above target
 - ◆ Governor does not eliminate the 28.0 FTE
 - ◆ Does include \$0.3 million of operations savings
 - ◆ Funds new initiatives

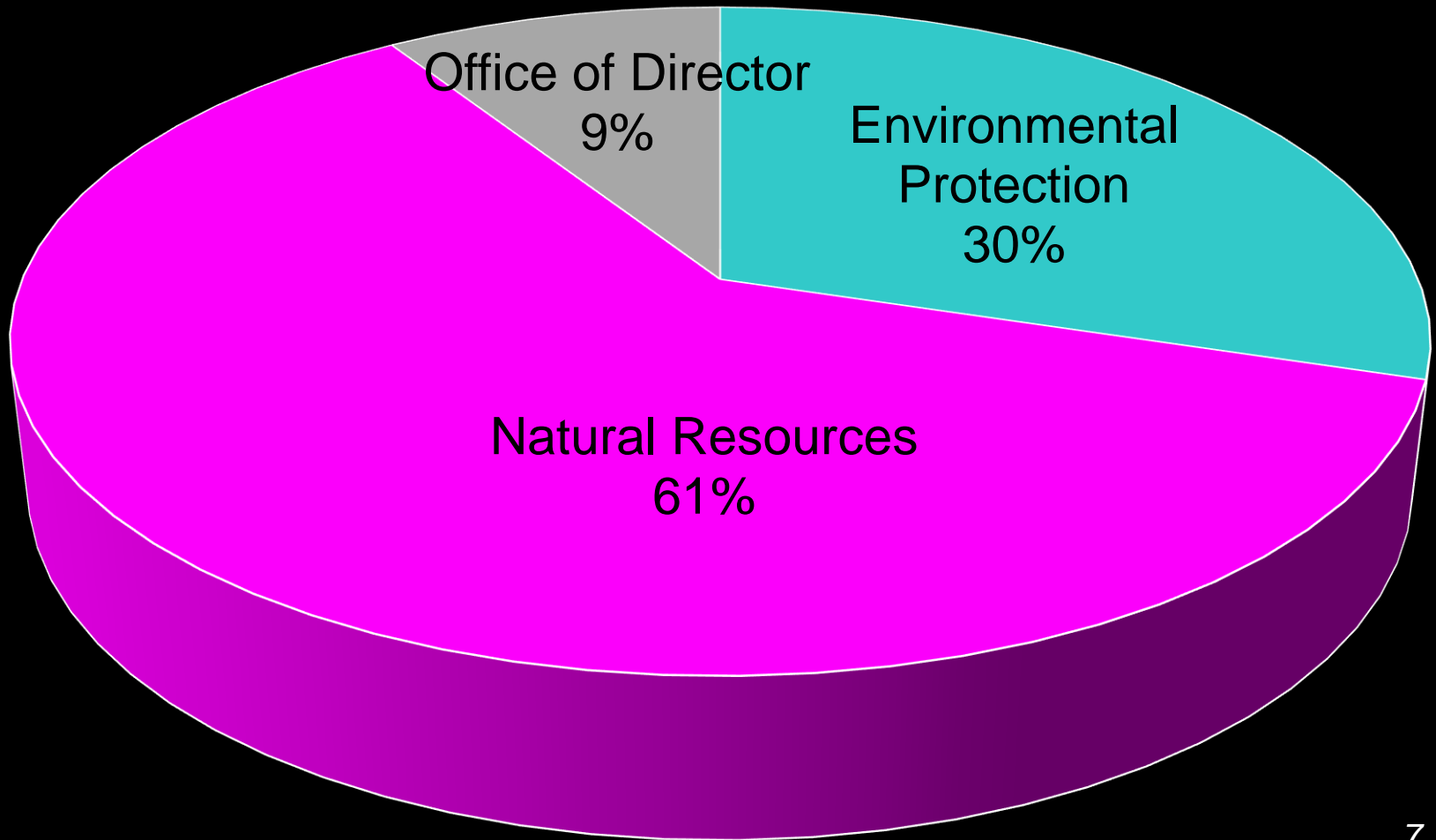
Summary by Source

| (In millions) | FY 2017 Enacted | FY 2017 Gov. Rev. | FY 2018 Governor | FY 2018 Change to Enacted |
|--------------------|--------------------|----------------------|---------------------|---------------------------------|
| General Rev. | \$40.2 | \$38.3 | \$44.0 | \$3.8 |
| Federal Funds | 29.7 | 34.2 | 33.4 | 3.7 |
| Restricted Rec. | 19.0 | 17.0 | 17.5 | (1.5) |
| Other | 13.8 | 14.0 | 18.4 | 4.6 |
| Total | \$102.7 | \$103.4 | \$113.3 | \$10.6 |

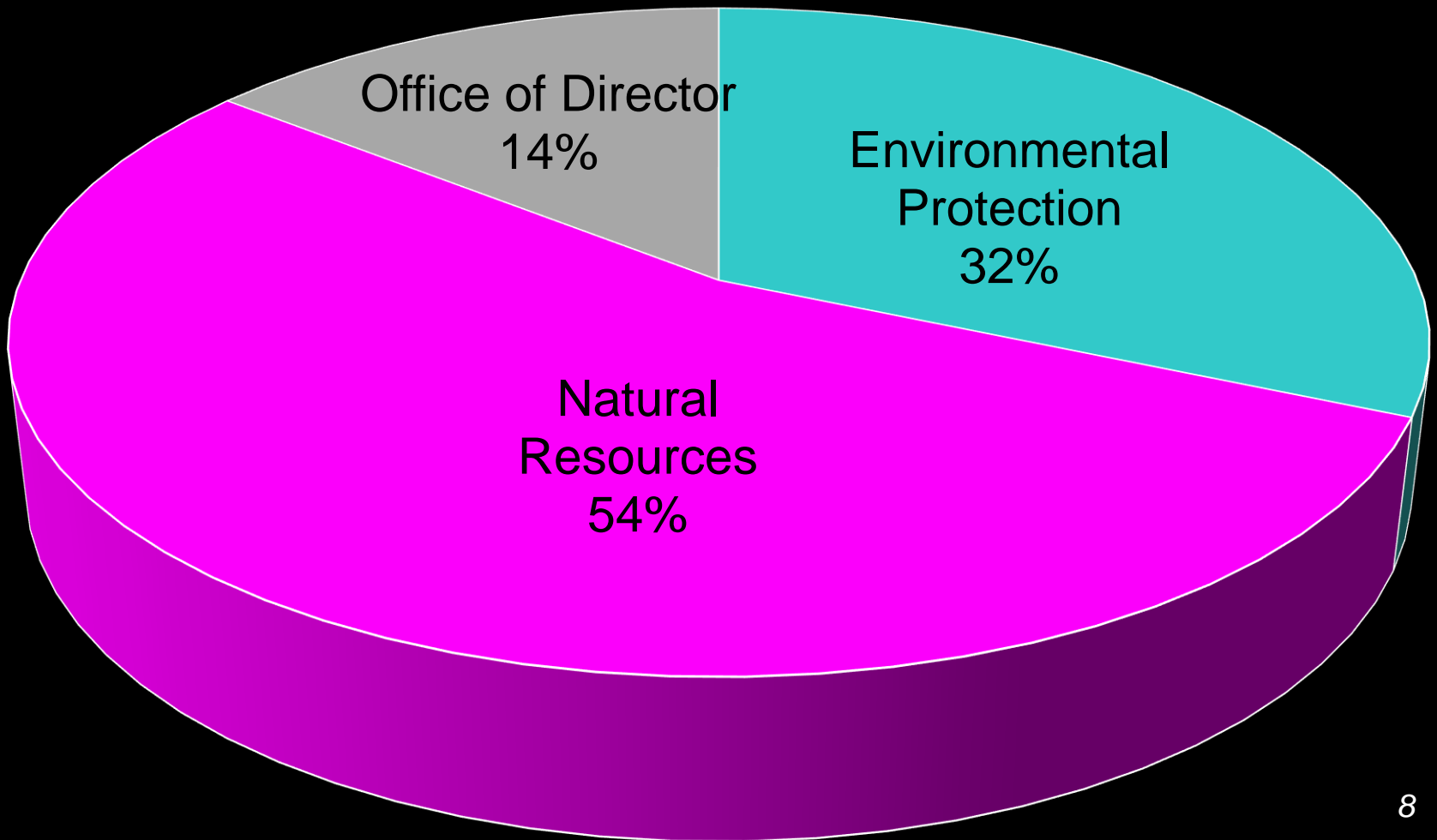
Summary by Category

| (In millions) | FY 2017 Enacted | FY 2017 Gov. Rev. | FY 2018 Governor | FY 2018 Change to Enacted |
|------------------------|--------------------|----------------------|---------------------|---------------------------------|
| Salaries & Benefits | \$50.0 | \$50.5 | \$51.3 | \$1.3 |
| Contracted Services | 7.0 | 9.1 | 8.3 | 1.3 |
| Operations | 14.2 | 14.9 | 15.5 | 1.3 |
| Grants | 8.7 | 7.9 | 11.3 | 2.6 |
| Capital | 22.8 | 21.0 | 26.7 | 3.4 |
| Transfers | 0.1 | 0.1 | 0.1 | - |
| Total | \$102.7 | \$103.4 | \$113.3 | \$10.5 |

FY 2018 Summary by Program



General Revenues by Program



Full-Time Equivalent Positions

| Full-Time Positions | FTEs | Change to Enacted |
|------------------------|-------|-------------------|
| FY 2017 Enacted | 399.0 | - |
| FY 2017 Rev. Req. | 399.0 | - |
| FY 2017 Governor Rev. | 400.0 | 1.0 |
| FY 2018 Request | 411.0 | 12.0 |
| FY 2018 Governor | 403.0 | 4.0 |
| FY 2016 Average Filled | 375.7 | (23.3) |
| Filled as of March 18 | 383.0 | (16.0) |

Personnel – Recommendation

- FY 2018 - \$51.3 million from all funds
 - ◆ \$30.5 million from general revenues
 - ◆ Gov. recommends \$1.3 million more than enacted
 - \$0.3 million more for 3.0 new FTEs
 - \$0.1 million more for transfer of 1.0 FTE from HPHC
 - \$0.1 million more for shift from Clean Diesel grant
- FY 2017 Revised - \$0.2 million less general revenues

Bureau of Natural Resources

- Planning and development
- Parks and forests
- Fish and wildlife
- Agriculture
- Coastal resources/fishing piers
- Enforcement
- FY 2018 – \$69.2 million from all funds
 - ◆ \$23.8 million from general revenues
 - \$2.7 million more than enacted
- FY 2017 Rev. – \$7,851 more general revenues

Natural Resources General Revenues

| Subprogram | FY 2017 Enacted | FY 2017 Revised | FY 2018 Governor |
|--------------------|----------------------------|----------------------------|-----------------------------|
| Agriculture | \$ 1,745,889 | \$1,798,885 | \$ 1,882,493 |
| Enforcement | 3,696,431 | 3,880,066 | 3,889,126 |
| Fish & Wildlife | 1,535,009 | 1,567,491 | 1,523,468 |
| Forest Environment | 1,335,193 | 1,178,390 | 1,171,424 |
| Administration | 2,052,930 | 1,909,167 | 1,903,612 |
| Parks & Recreation | 10,758,562 | 10,797,866 | 13,472,268 |
| Total | \$ 21,124,014 | \$21,131,865 | \$ 23,842,391 |

New Personnel – FY 2018

| Bureau of Natural Resources | | | |
|--|-------------------|-------------------|---------------------|
| Position/FTE | Req. | Gov. | Source |
| Park Managers – 2.0 | \$ 97,998 | \$ - | General Revenues |
| Deputy Chief Division of Agriculture – 1.0 | 82,482 | - | |
| Implementation Aide Division of Agriculture – 1.0 | 52,376 | - | |
| Environmental Police Officers – 3.0 | 162,989 | - | |
| Chief Prog. Development (Merchandising) – 1.0 | - | 121,978 | Restricted Receipts |
| Historic Preservation Specialist (EH transfer) – 1.0 | - | 95,365 | General Revenues |
| Total | \$ 395,845 | \$ 217,343 | |

Eisenhower House

- Article 7, Sec 4-5 transfers authority to collect Eisenhower House rental fees from HPHC to DEM
 - ◆ Establishes a restricted receipt account for deposit of rental fees
- Budget transfers 1.0 staff and funding from HPHC to DEM – provides enhanced level of funding

Eisenhower House

| General Revenues | FY 2016 Spent | FY 2017 Enacted | FY 2017 Gov. | FY 2018 Gov. |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| Staff | \$ 102,721 | \$ 110,023 | \$ 91,816 | \$ 95,365 |
| Operations | 32,815 | 66,014 | 50,406 | 54,635 |
| Total | \$ 135,536 | \$ 176,037 | \$ 142,222 | \$ 150,000 |
| Restricted | | | | |
| Operations | - | - | - | 138,150 |
| Grand Total | \$ 135,536 | \$ 176,037 | \$ 142,222 | \$ 288,150 |

Parks and Recreation Merchandising

- Article 7, Sec 4 establishes a new restricted receipt account in DEM
- Stems from the 2016 *New Vision of Outdoor Recreation* report
 - ◆ Outdoor Recreation Council
 - ◆ Recommendation from the report:
 - Create a unified merchandising brand
 - Develop an outdoor recreation themed day
 - Highlight state's recreation assets

Parks and Recreation Merchandising

- Funding shall be used
 - ◆ Replenish merchandise stock and
 - ◆ Special park projects
- Budget includes \$122,000 from new receipts to fund a new position
 - ◆ Inventory distribution and pricing
 - ◆ Existing retailers would sell merchandise
 - ◆ Assumes sales will allow for at least break-even

Parks and Recreation

- Gov. FY 2018 – \$10.2 million from general revenues
 - ◆ \$0.2 million more than enacted
 - Building and ground maintenance contracts
 - Leasing vehicles
 - Certain seasonal employees impacted by the proposal to increase the minimum wage to \$10.50 per hour
- Gov. FY 2017 Revised – \$23,196 less general revenues
 - Credit card fees, safety supplies, building maintenance
 - Turnover savings

Local Agriculture and Seafood Grants

- Gov. FY 2018 – \$0.2 million from general revenues for Local Agriculture & Seafood Grants
 - ◆ Created by Chapter 37 of the Public Law of 2012
 - ◆ Promotes the marketing of seafood and farm products
 - ◆ Funded from general revenues and private funds
 - Henry P. Kendall Foundation
 - Rhode Island Foundation
 - Van Beuren Charitable Foundation
 - ◆ \$0.1 million more than enacted to meet increased demand

Payments to Host Beach Communities

- Collected fees for daily parking only from Memorial Day to Labor day
- Charlestown, Westerly, Narragansett and South Kingstown
- Gov. 2017 Revised and FY 2018 - \$0.5 million from general revenues
 - ◆ \$0.1 million more than enacted
 - ◆ 2016 Assembly increased the percentage shared with the host communities from 16% to 27% so they could keep same amount based on returning rates to 2011 level

Payments to Host Beach Communities

Host Beach Communities' Payments:

| | |
|-----------------------------|------------------|
| <i>FY 2012</i> | <i>\$344,358</i> |
| <i>FY 2013</i> | <i>\$437,360</i> |
| <i>FY 2014</i> | <i>\$394,840</i> |
| <i>FY 2015</i> | <i>\$403,839</i> |
| <i>FY 2016</i> | <i>\$441,035</i> |
| <i>FY 2017 Revised</i> | <i>\$502,500</i> |
| <i>FY 2018 Recommended*</i> | <i>\$502,500</i> |

** Based on FY 2017 Payment*

Outdoor Recreation Investments

- Governor proposes new spending – \$2.5 million from general revenues for FY 2018
 - ◆ Local recreation matching grants
 - Focus on program not capital
 - ◆ Provide environmental education
 - ◆ Recreation related acquisition and maintenance
 - ◆ Funding identified as a portion of revenues derived from the \$8.7 million generated by the increase to the cigarette tax

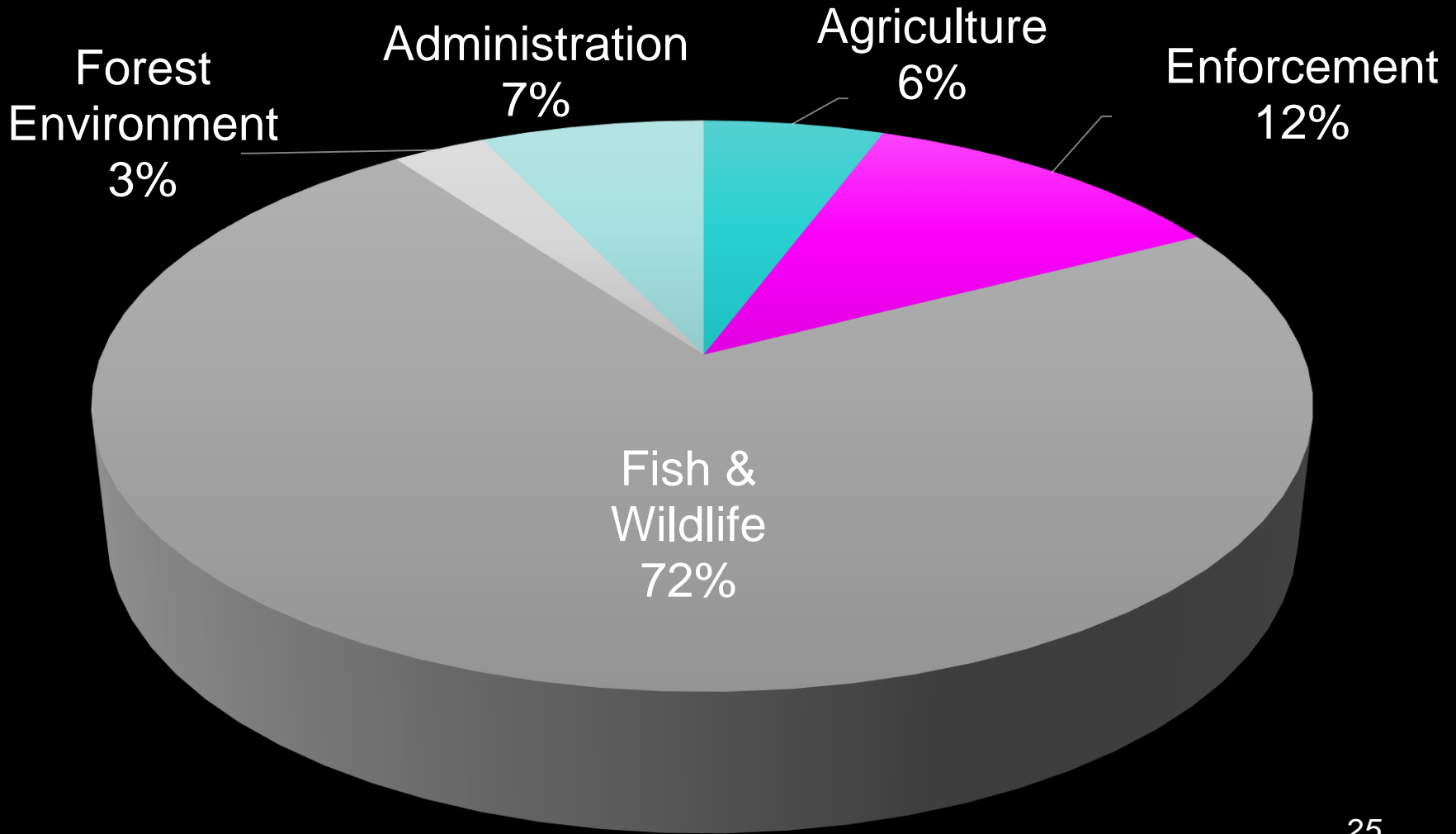
World War II State Park Transition

- Gov. FY 2017 revised & FY 2018 - \$250,000 from general revenues
 - ◆ Enacted includes \$250,000 from general revenues
 - ◆ FY 2018 is the third year of a five-year initiative to transfer maintenance and operations to Woonsocket
 - ◆ Capital project completed in FY 2016

Source of Federal Grants

- Gov. FY 2018 - \$23.0 million from 61 grants
 - ◆ Department of Agriculture – 40%
 - ◆ Department of the Interior – 31%
 - ◆ National Oceanic and Atmospheric Administration – 18%
 - ◆ Others – 11%
 - U.S. Coast Guard – 6%
 - FEMA – 2%
 - EPA – 1%
 - Department of Health and Human Services – 1%
 - Department of Justice – 1%

Natural Resources Federal Grants



Natural Resources Federal Grants - New

| Grant | FY 2017 Revised | FY 2018 Governor |
|---------------------------------------|----------------------------|-----------------------------|
| Amphibian & Reptile Conservation | \$ 175,149 | \$ 175,149 |
| Freshwater & Marine Boating Access | \$ 309,425 | \$ 309,425 |
| Great Swamp Range Expansion | \$ 560,666 | \$ 560,666 |
| Mitigation of Fishery Disaster | \$ 1,000,000 | \$ 1,000,000 |
| Wildlife Outreach | \$ 174,077 | \$ 174,077 |
| Port Security | \$ - | \$ 370,000 |

Bureau of Environmental Protection

- Air resources
- Water resources
- Waste management
- Compliance
- Customer and technical assistance
- Emergency response
- FY 2018 - \$33.7 million from all funds
 - ◆ \$13.8 million from general revenues
- FY 2017 Revised - \$2.3 million less general revenues
 - ◆ Clean diesel delayed start

Environmental Protection General Revenues

| Subprogram | FY 2017 Enacted | FY 2017 Revised | FY 2018 Governor |
|-----------------------------|----------------------------|----------------------------|-----------------------------|
| Air Resources | \$ 1,839,009 | \$1,889,116 | \$1,887,695 |
| Compliance & Inspection | 2,401,361 | 2,397,705 | 2,429,647 |
| Administration | 350,458 | 230,612 | 229,678 |
| RIPDES | 781,465 | 781,648 | 790,751 |
| Tech. & Customer Assist. | 1,389,349 | 1,368,326 | 1,365,245 |
| Waste Management | 540,229 | 513,623 | 467,433 |
| Water Resources | 6,615,558 | 4,466,049 | 6,666,087 |
| Total | \$13,917,429 | \$11,647,079 | \$13,836,536 |

New Personnel – FY 2018

| Bureau of Environmental Protection | | | | |
|------------------------------------|------------|-------------------|-------------------|------------------|
| Position | FTE | Request | Governor | Source |
| Air Quality Specialist | 2.0 | \$ 123,956 | \$ - | General Revenues |
| Senior Environmental Scientist | 1.0 | 100,408 | 100,408 | |
| Environmental Scientist | 1.0 | 61,978 | 61,978 | |
| Principal Environmental Scientist | 1.0 | 85,081 | - | |
| Total | 5.0 | \$ 371,423 | \$ 162,386 | |

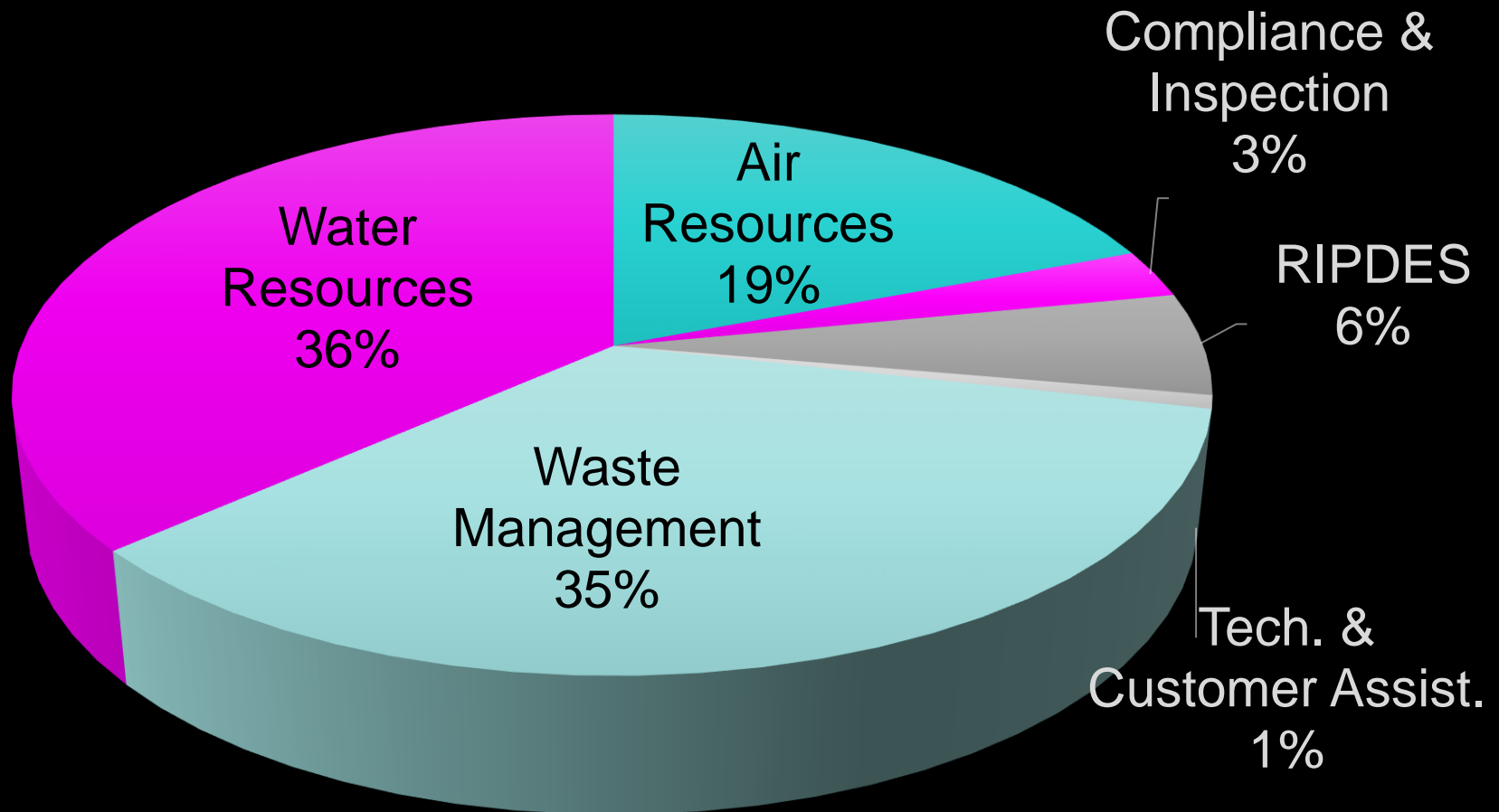
Clean Diesel Program

- Enacted budget includes \$2.0 million from general revenues
 - ◆ Reduce emissions from heavy-duty engines
 - ◆ Help companies improve supply chain efficiency
- Gov. FY 2018 – \$2.0 million
- Gov. FY 2017 Revised – no funding
 - ◆ No expenditures planned for FY 2017
 - ◆ Applications will be available after rulemaking process ends this week

Source of Federal Grants

- Governor FY 2018 – \$10.4 million
 - ◆ 32 federal grants
 - EPA – 81%
 - Department of Justice – 14%
 - Department of Defense – 4%
 - FEMA – 1%

Environmental Protection Federal Grants



Environmental Protection

Federal Grants - New

| Grants | FY 2017 Revised | FY 2018 Governor |
|--|----------------------------|-----------------------------|
| Air Toxic Ambient Monitoring | \$ 691,149 | \$ 248,216 |
| Strengthening Regional Partnerships | \$ 154,210 | \$ 138,250 |
| Diesel Emissions Program | \$ 192,409 | \$ 192,409 |

Office of the Director

- Budgeting
- Personnel
- Information management
- Legal services
- Business services
- FY 2018 – \$10.4 million from all funds
 - ◆ \$6.3 million from general revenues
- FY 2017 Revised - \$0.4 million more general revenues
 - ◆ Updated Lease costs

Office of the Director General Revenues

| Subprogram | FY 2017 Revised | FY 2018 Governor |
|-----------------------------|----------------------------|-----------------------------|
| Administration | \$3,598,098 | \$4,394,884 |
| Administrative Adjudication | 558,199 | 557,542 |
| Legal Services | 631,167 | 606,250 |
| Management Services | 729,042 | 758,197 |
| Total | \$5,516,506 | \$6,316,873 |

Conservation Districts

- Gov. FY 2018 - \$50,000 from general revenues
 - ◆ Received community service grants in prior years
 - No funding included for FY 2017
 - ◆ Governed by volunteer Board of Directors
 - ◆ Opportunity for citizens to shape soil and water conservation and resource planning in communities

Volvo Ocean Race

- Gov. FY 2018 - \$775,000 from general revenues
 - ◆ Takes place on May 2018 at Fort Adams State Park
 - ◆ Offered by Volvo Ocean Race and Sail Newport
 - ◆ Department is responsible for providing security, general clean-up and other operating support
- Last race held in RI was in May 2015
 - ◆ \$775,000 from general revenues was appropriated for the race that year

Statewide Savings

- Assessment to salaries that funds workers' comp., unemployment & unused leave
 - ◆ Lowered from enacted based on experience
 - Savings of \$1.2 million in FY 2017
 - Savings of \$1.5 million in FY 2018
- Medical benefit cost growth
 - ◆ Lower than initial estimates
 - Savings of \$2.6 million in FY 2018
- Total impact to the Department
 - ◆ \$60,430 in FY 2017; \$169,913 in FY 2018

Capital Development Plan

- Governor recommends \$270.0 million in total project costs
- \$105.0 million in five-year period
 - ◆ State and local recreation
 - ◆ Land acquisition
 - ◆ State infrastructure
- Fund sources: general obligation bonds, RICAP, federal funds, and restricted receipts

Capital Projects

- Fort Adams Sailing Improvements
 - ◆ State hosted America's Cup World Series race in 2012 and Volvo Ocean Race in 2015
 - ◆ New facility will help host other large scale races
 - Volvo Ocean Race in May of 2018
 - ◆ Gov. Recommends \$13.2 million from all funds
 - \$2.4 million more than enacted
 - \$1.1 million more from RICAP
 - \$1.3 million more from private funds
 - Costs higher than anticipated when project began

Capital Development Plan

| Project | Status | Cost | Financing | End Date |
|-------------------------|---------------|----------------|----------------------------|-----------------|
| Recreational Facilities | Revised | \$52.2 million | RICAP, G.O. bonds, Federal | FY 2022 |
| Dams Repair | Revised | \$10.6 million | RICAP | FY 2022 |
| Fort Adams Sailings | Revised | \$13.2 million | RICAP, restricted | FY 2018 |
| Marine Infrastructure | Revised | \$4.8 million | Federal, RICAP | FY 2022 |

Capital Development Plan

| Project | Status | Cost | Financing | End Date |
|--------------------------|---------------|----------------|-------------------|-----------------|
| Galilee Piers | Revised | \$16.3 million | Federal, RICAP | FY 2022 |
| Fort Adams Trust | Revised | \$4.1 million | RICAP | FY 2022 |
| Rocky Point | Ongoing | \$14.0 million | G.O. bonds, RICAP | FY 2018 |
| Historic State Park Dev. | Ongoing | \$4.0 million | G.O. bonds | FY 2020 |

Capital Development Plan

| Project | Status | Cost | Financing | End Date |
|---------------------------|---------------|----------------|------------------|-----------------|
| Stormwater Pollution | Ongoing | \$3.0 million | G.O. bonds | FY 2020 |
| State Bikeway Development | Ongoing | \$10.0 million | G.O. bonds | FY 2022 |
| Natural Resources Offices | Ongoing | \$6.9 million | RICAP | FY 2018 |
| Newport Piers | Ongoing | \$1.7 million | RICAP | FY 2018 |

Capital Development Plan

| Project | Status | Cost | Financing | End Date |
|---------------------------|---------------|---------------|-----------------------|-----------------|
| State Building Demolition | Ongoing | \$0.3 million | RICAP | FY 2019 |
| Fish & Wildlife Facility | Ongoing | \$0.7 million | Federal, RICAP, Other | FY 2018 |
| Blackstone Valley Park | Ongoing | \$1.4 million | RICAP | FY 2018 |
| Farmland Development | Ongoing | \$7.5 million | G.O. bonds | FY 2020 |

Capital Development Plan

| Project | Status | Cost | Financing | End Date |
|-------------------------|---------------|----------------|------------------|-----------------|
| Brownfields Remediation | Ongoing | \$13.0 million | G.O. bonds | FY 2022 |
| Narragansett Bay | Ongoing | \$12.5 million | G.O. bonds | FY 2019 |
| Flood Prevention | Ongoing | \$3.0 million | G.O. bonds | FY 2019 |
| State Land Acquisition | Ongoing | \$16.5 million | G.O. bonds | FY 2021 |
| Local Land Acquisition | Ongoing | \$17.0 million | G.O. bonds | FY 2021 |

Capital Development Plan

| <i>Project</i> | <i>Status</i> | <i>Cost</i> | <i>Financing</i> | <i>End Date</i> |
|---------------------------|---------------|----------------|------------------|-----------------|
| Local Recreation | Ongoing | \$17.5 million | G.O. bonds | FY 2022 |
| Roger Williams Park | Ongoing | \$29.0 million | G.O. bonds | FY 2021 |
| WWII State Park | Ongoing | \$2.6 million | G.O. bonds | FY 2016 |
| India Point | Ongoing | \$3.2 million | G.O. bonds | FY 2016 |
| Historic & Passive Grants | Ongoing | \$5.0 million | G.O. bonds | FY 2016 |

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